

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE CATV POLE ATTACHMENT)	
TARIFF OF NORTH CENTRAL)	ADMINISTRATIVE
TELEPHONE COOPERATIVE, INC.)	CASE NO. 251-15

O R D E R

Procedural Background

On September 17, 1982, the Commission issued an Amended Order in Administrative Case No. 251, "The Adoption of a Standard Methodology for Establishing Rates for CATV Pole Attachments," and ordered electric and telephone utilities providing or proposing to provide CATV pole attachments to file tariffs conforming with the principles and findings of the Order on or before November 1, 1982.

On November 29, 1982, North Central Telephone Cooperative, Inc., ("North Central") filed rates, rules, and regulations governing CATV pole attachments, after having been granted an extension of time to file on November 15, 1982. On December 9, 1982, the Commission suspended North Central's CATV pole attachment tariff to allow the maximum statutory time for investigation and comment from interested persons.

On November 19, 1982, the Kentucky Cable Television Association, Inc., ("KCTA") requested and was granted leave to intervene and comment on North Central's CATV pole attachment tariff.

On January 17, 1983, KCTA filed a statement of objections to various CATV pole attachment tariffs, but made no specific objections in the case of North Central.

The Commission considers the matter of North Central's CATV pole attachment tariff submitted for final determination.

Findings

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

1. North Central's rules and regulations governing CATV pole attachments conform with the principles and findings of the Commission's Amended Order in Administrative Case No. 251, and should be approved, except as follows:

(a) North Central did not file a rate, rule, or regulation governing CATV anchor attachments. The Commission advises North Central that it is not required to provide CATV anchor attachments. However, in the event North Central provides or plans to provide CATV anchor attachments, it should file a CATV anchor attachment rate, along with appropriate cost information.

(b) At page 2, section 13.3.1, and where it may occur elsewhere in the tariff, the Commission advises North Central that the service requirements of a CATV operator cannot be subordinated to the service requirements of other customers. If pole attachment or conduit space is available or can be made available, then North Central cannot deny service to a CATV operator.

(c) At page 3, section 13.4.1, and where it may occur elsewhere in the tariff, the Commission advises North Central that a 90-day advance notice of pole attachment or conduit installation

is unreasonable, and that it should require no more than a 45 day advance notice.

(d) At page 3, section 13.4.1, page 3, section 13.4.3, page 4, section 13.4.5, page 7, section 13.6.6, page 7, section 13.6.10, page 8, section 13.6.13, page 8, section 13.7.1, and where it may occur elsewhere in the tariff, the Commission advises North Central that it cannot deny permission to make pole attachments or conduit installations, if pole or conduit space is available or can be made available. Also, the Commission advises North Central that it cannot deny permission to rearrange pole attachments or conduit installations, if such rearrangements are necessary and space is available or can be made available.

(e) At page 5, section 13.6.2, page 6, section 13.6.3, page 6, section 13.6.4, and where it may occur elsewhere in the tariff, the Commission advises North Central that it must allow a CATV operator the option of performing any pole attachment, pole rearrangement, conduit installation, or conduit rearrangement involving CATV equipment, subject to North Central's construction standards and inspection.

(f) At page 6, section 13.6.5, and where it may occur elsewhere in the tariff, the Commission advises North Central that it must give a CATV operator at least 48 hours advance notice of any pole or conduit rearrangement made necessary as a result of telephone company operations.

(g) At page 8, section 13.6.14, and where it may occur elsewhere in the tariff, the Commission advises North Central that it cannot deny a CATV operator the option of intersetting CATV poles.

(h) At page 11, section 13.10.5, and where it may occur elsewhere in the tariff, the Commission advises North Central that it may establish conditions on the assignment, transfer, or subletting of the right to make CATV pole attachments, but cannot infringe on the right of a CATV operator to dispose of CATV property.

2. North Central failed to provide sufficient information to verify its calculations of embedded pole cost. Therefore, North Central should file information from plant records or another reliable source showing the number of 30-foot, 35-foot, 40-foot, and 45-foot poles in service, and related pole investment. The information should be classified according to vintage year. Also, any discrepancy between the total number of poles shown in the calculations of embedded pole cost and the total number of poles shown in the 1981 Annual Report should be explained.

3. North Central failed to provide sufficient information to verify a conduit usage rate. Rates may not be calculated on an individual basis at the time of application. Therefore, North Central should file information from plant records or another reliable source sufficient to establish a CATV conduit usage rate, calculated consistent with the Commission's Amended Order in Administrative Case No. 251.

4. North Central's calculation of its annual carrying charge should be modified as follows:

(a) The cost of money component should be deleted, because the cost of debt was included in the last rate of return authorized by the Commission.

(b) The taxes component should be 1.44 percent, as calculated from the 1981 Annual Report.

(c) The administration and overhead component should be 3.71 percent, as calculated from the 1981 Annual Report.

(d) The maintenance component should be 4.29 percent, as calculated from the 1981 Annual Report.

(e) The rate of return component should be 4.55 percent, as authorized by the Commission in Case No. 7909, "The Application of North Central Telephone Cooperative Corporation for an Order Establishing, Approving, and Adjusting the Tariff and Rates for the Corporation."

(f) The total annual carrying charge should be 17.99 percent, based on calculations from the 1981 Annual Report and the Commission's Order in Case No. 7909.

5. North Central should be allowed to substitute 1982 Annual Report information to adjust its annual carrying charge, if the information is available and filed with the Commission. Furthermore, any adjusted calculation of the annual carrying charge should be made as outlined in Attachment 1 to this Order, unless a specific deviation is requested and reasonable cause demonstrated.

Orders

IT IS THEREFORE ORDERED that North Central's CATV pole attachment tariff as filed with the Commission on November 29, 1982, be and it hereby is denied.

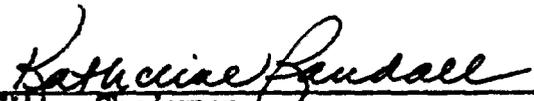
IT IS FURTHER ORDERED that North Central shall file revised rates, rules, and regulations governing CATV pole attachments with the Commission within 30 days from the date of this Order, and that the revised rates, rules, and regulations shall conform with the findings of this Order.

IT IS FURTHER ORDERED that North Central shall file information as outlined in this Order concerning embedded pole cost and conduit usage, at the same time it files its revised rates, rules, and regulations.

Done at Frankfort, Kentucky, this 31st day of March, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

ATTACHMENT 1

CATV Annual Carrying Charge

The annual carrying charge should be based on the 1981 or 1982 Annual Report, Form M, to the Public Service Commission of Kentucky, and Commission Orders, as follows:

1. Depreciation

Depreciation on pole lines is stated at Page 31, Line 7, Column (d).

2. Taxes

The formula for calculating taxes is:

$$\frac{\text{Page 16, Lines 6 + 7, Column (b)}}{\text{Page 12, Line 10, Column b}}$$

3. Administration and Overhead

The formula for calculating administration and overhead is:

$$\frac{\text{Page 61, Lines 36 + 45 + 51 + 61, Column b}}{\text{Page 12, Line 10, Column } \frac{\text{b + c}}{2}}$$

4. Maintenance

The formula for calculating maintenance is:

$$\frac{\text{Page 60, Line 1, Column b}}{\text{Page 19, Line 11, Column } \frac{\text{b + h}}{2}}$$

5. The rate of return should be the most recent rate of return.